Plan redesigning due to 2009 IRC model code and WSEC proposed changes.
Comments on overall cost impact from proposed changes this code cycle

Prepared by Chuck Day – Adair Homes 9-25-09

Estimate of redesign work:

It is not possible without days of analysis to precisely calculate the cost it would take to re-design and re-document all the Adair Home plan models and versions thereof. If one undertook to do so the expense would be near the expense of actually doing the re-design work.

So to estimate this as best as can be done keep in mind that such an effort would involve some modified structural engineering along with calculations for beams, joist, trusses, prescriptive bracing, construction framing details, foundation/floor/wall/roof framing plans, material lists, pricing of vendors and subcontractors, etc. The labor for this would be provided by both outside engineering firms for a fee, by vendor technicians, and by Adair in-house employees. Whatever the venue for the work it all costs money that must be recouped through the selling price of the home for Adair and it's suppliers to remain solvent.

Adair cannot just neglect some of the plans or wait to do this work as we do not know which homes that our Customers will order or when they will. Adair builds per order on the Customer's property and must be ready to start work within a time frame that our Customers demand or we stand to lose that work. So we must be ready with whatever our Customer might order.

The following estimate is provided.

Number of plans with versions that Adair offers in Washington state = 130

Cost to rework each plan/version = $1075

Total costs = $139,750

With the present economy Adair will build about 90 -100 homes this year in Washington State.

Cost per home to update plans (Assumes 100 builds)	$1,397.50
Overhead, profit, debt service, etc	$ 419.25
Subtotal	$1,816.75
8% sales tax	$ 145.34
Total cost to Customer on top of whatever the selling price of each home is	- $1,962.09

Comments on this and entire code cycle proposed changes:

The above costs would be additional to those that would be required if the proposed model code additions for the 2009 IRC are all adopted and the proposals to the WSEC are adopted.

One may argue that whatever the code changes might be these costs are incurred each time a new model code cycle happens. Some development costs are incurred each code cycle. This cycle is hugely different. This model code cycle (2009 IRC, Washington specific codes and proposed amendments to all of this) can easily be judged as the most aggressive, complex, and thus costly in history. Therefore, the work it would take to respond to it all will be the most costly.

As the Council ponders this please consider that Chapters 4 and 6 of the 2009 IRC model code have new provisions (even factoring out the residential fire sprinkler requirement in Chapter 3) which will add some significant cost on their own.

The present proposed changes will also have the effect of creating an unfair business advantage for HUD code built housing and particularly drive rural families to that product for an affordable new home option. This will be of long term harm to the financial well being of those families and the tax base of the communities thus affected.

Most of all, could you, your children, grandchildren, or neighbor afford a total cost increase in the construction of a new home (home itself) in the area of 31% to 42%? That is the figure we are looking at in this code cycle if all the proposed changes are enacted. (20% WSEC, 6 -17% fire sprinklers, 5% Chap 4&6 plus redesign costs)

The sum total of all the new costs to Consumers for proposed code changes to the IRC and WSEC will (please see other Adair Homes generated hand-outs) absolutely cripple Adair Homes ability to serve those who still are coming to us to build them a reasonable and affordable home in this economy. This is not hyperbole!

This is not the time for these additions! In fact, they are so costly as to stop new homes from being built. Thus any perceived benefits in energy saving or the very minimal life/safety improvements will have no actual impact.